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22 **UNITED STATES BANKRUPTCY COURT**

23 **CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION**

24 In re:

25 The Litigation Practice Group P.C.

26 Debtor.

27 Richard A. Marshack, Trustee of the LPG  
28 Liquidation Trust,

29 Plaintiff,

30 v.

31 Vasco Assets, Inc., and Benny Mor

32 Defendants.

33 Case No.: 8:23-bk-10571-SC

34 Adv. Proc. No.:

35 Chapter 11

36 **COMPLAINT FOR:**

37 **(1) AVOIDANCE, RECOVERY, AND  
38 PRESERVATION OF 2-YEAR ACTUAL  
39 FRAUDULENT TRANSFERS;**

40 **(2) AVOIDANCE, RECOVERY, AND  
41 PRESERVATION OF 2-YEAR  
42 CONSTRUCTIVE FRAUDULENT  
43 TRANSFERS;**

44 **(3) AVOIDANCE, RECOVERY, AND  
45 PRESERVATION OF 4-YEAR ACTUAL  
46 FRAUDULENT TRANSFERS;**

47 **(4) AVOIDANCE, RECOVERY, AND  
48 PRESERVATION OF 4-YEAR**

## **CONSTRUCTIVE FRAUDULENT TRANSFERS;**

**(5) AIDING AND ABETTING BY VASCO AND MOR; and**

## **(6) TURNOVER OF ESTATE PROPERTY**

Judge: Hon. Scott C. Clarkson

For his *Complaint for (1) Avoidance, Recovery, and Preservation of 2-Year Actual Fraudulent Transfers; (2) Avoidance, Recovery, and Preservation of 2-Year Constructive Fraudulent Transfers; (3) Avoidance, Recovery, and Preservation of 4-Year Actual Fraudulent Transfers; (4) Avoidance, Recovery, and Preservation of 4-Year Constructive Fraudulent Transfers; (5) Avoidance, Recovery, and Preservation of Preferential Transfer; (6) Aiding and Abetting by Vasco and Mor; (7) Aiding and Abetting by Vasco; and (8) Turnover of Estate Property* (“Complaint”), plaintiff Richard A. Marshack, the former Chapter 11 Trustee for the bankruptcy estate (“Estate”) of debtor The Litigation Practice Group P.C. (“Debtor” or “LPG”) and current liquidating trustee (collectively “Trustee” or “Plaintiff”) of the LPG Liquidating Trust in the above-captioned bankruptcy case (“Bankruptcy Case”), alleges and avers as follows:

**STATEMENT OF JURISDICTION, NATURE OF  
PROCEEDING, AND VENUE**

1. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 157(b)(2)(A), (E), (H) and (O), 1334(b), and General Order No. 13-05 of the District Court for the Central District of California because this is a core proceeding arising in and/or related to the Bankruptcy Case, which is a case under Chapter 11 of Title 11 of the United States Code (“Bankruptcy Code”), and which is pending in the United States Bankruptcy Court for the Central District of California, Santa Ana Division (“Bankruptcy Court”).

2. Regardless of whether this proceeding is core, non-core, or otherwise, Plaintiff consents to the entry of a final order and judgment by the Bankruptcy Court.

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3. Defendants are notified that Rule 7008 of the Federal Rules of Bankruptcy Procedure requires Defendants to plead whether consent is given to the entry of a final order and judgment by the Bankruptcy Court.

4. Venue of this adversary proceeding properly lies in this judicial district pursuant to 28 U.S.C. § 1409(a) because this proceeding is related to Debtor's pending Bankruptcy Case.

## **THE PARTIES**

5. Plaintiff, Richard A. Marshack, is the duly-appointed, qualified, and acting Trustee of the LPG Liquidation Trust.

6. Debtor is, and at all material times was, a professional corporation organized, existing, and in good standing under the laws of the State of California, with its principal place of business in Tustin, California.

7. Defendant, Vasco Assets, Inc. (“Vasco”), is, and at all material times represented that it was, a domestic corporation, existing under the laws of the State of California.

8. Vasco's principal and mailing address is 2024 Quail Street, Newport Beach, California 92660.

9. Vasco may be served via its agent for service, Benny Mor (“Mor”), at 2024 Quail Street, Newport Beach, California 92660.

10. On information and belief, Defendant Mor is an individual residing in the state of California, and at all material times was a principal, director and officer of Vasco.

11. Defendant Mor may be served by first class mail postage prepaid at 2024 Quail Street, Newport Beach, California 92660.

## **GENERAL ALLEGATIONS**

## A. THE BANKRUPTCY CASE

12. On March 20, 2023 (“Petition Date”), Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, commencing the Bankruptcy Case. Diab made the decision for LPG to file for bankruptcy in order to avoid numerous pending lawsuits, two of which sought an order appointing a receiver, including but not limited to: *Validation Partners, LLC v. The Litigation Practice Group, PC, et al.*, Case No. 30-2022-01281911-CU-BC-CXC (Orange County

1 Super. Ct. September 20, 2022) and *Debt Validation Fund II, LLC, et al. v. The Litigation Practice*  
2 *Group PC, et al.*, Case No. 30-2023-01303355-CU-CO-CXC (Orange County Super. Ct. January 23,  
3 2023), among many others. In order to abscond with and delay discovery of substantial assets and  
4 continue to profit from LPG client files and from client payments made pursuant to LPG's client  
5 Legal Services Agreements ("Client Funds"), Diab and other defendants devised a plan to  
6 fraudulently transfer funds, client files, Client Funds and assets in the form of ACH Receivables (the  
7 "ACH Receivables" or "Accounts Receivable") out of LPG to third parties prior to the filing of  
8 bankruptcy. The 1046 Action primarily seeks avoidance, recovery and damages arising out of the  
9 wholesale fraudulent transfer of client files and the related ACH Receivables. This action deals  
10 primarily with the fraudulent transfers of LPG funds, including its Client Funds, to Vasco.

11       13. The Office of the United States Trustee ("UST") filed its *Motion by United States*  
12 *Trustee to Dismiss or Convert Case Pursuant to 11 U.S.C. § 1112(b)* [Bankr. Docket No. 21] and  
13 creditors Debt Validation Fund II, LLC; MC DVI Fund 1, LLC; and MC DVI Fund 2, LLC filed the  
14 *Motion by DVF and MC DVI to Dismiss Chapter 11 Case Pursuant to 11 U.S.C. §§ 105, 305, 349, &*  
15 *1112, or in the Alternative Convert This Case to Chapter 7 or Appoint a Trustee* [Bankr. Docket No.  
16 44]. On May 4, 2023, the Court entered its *Order Directing United States Trustee to Appoint Chapter*  
17 *11 Trustee* [Bankr. Docket No. 58]. On May 4, 2023, the Court entered its *Order Directing United*  
18 *States Trustee to Appoint Chapter 11 Trustee* [Bankr. Docket No. 58], thereby granting the UST's  
19 motion and directing the UST to appoint a Chapter 11 Trustee in the Bankruptcy Case.

20       14. Pursuant to the *Acceptance of Appointment as Chapter 11 Trustee* [Bankr. Docket No.  
21 63], on May 8, 2023, Trustee accepted his appointment as the Chapter 11 Trustee in the Bankruptcy  
22 Case. The Court approved the Trustee's appointment in its *Order Approving the U.S. Trustee's*  
23 *Application for the Appointment of a Chapter 11 Trustee* [Docket No. 65].

24       15. Trustee was not appointed until after events of the case and, therefore, bases these  
25 allegations on information and belief. *Soo Park v. Thompson*, 851 F.3d 910, 928 (9th Cir.  
26 2017) ("The *Twombly* plausibility standard . . . does not prevent a plaintiff from pleading facts alleged  
27 upon information and belief where the facts are peculiarly within the possession and control of the  
28 defendant or where the belief is based on factual information that makes the inference of culpability

1 plausible."); *Miller v. City of Los Angeles*, 2014 U.S. Dist. LEXIS 198871, 2014 WL 12610195, at  
2 \*5 (C.D. Cal. Aug. 7, 2014) (recognizing that the plaintiff's "information and belief" pleading was  
3 allowed and "necessary at times"); *see also Mireskandari v. Daily Mail and General Trust PLC*, 2013  
4 U.S. Dist. LEXIS 194437, 2013 WL 12129642, at \*4 (C.D. Cal. July 31, 2013) ("The Federal Rules  
5 of Civil Procedure allow parties to plead facts on 'information and belief' if the facts 'will likely have  
6 evidentiary support after a reasonable opportunity for further investigation or discovery.'") (citations  
7 omitted)).

8 16. Pursuant to the *Order Confirming Modified First Amended Joint Chapter 11 Plan of*  
9 *Liquidation* entered September 9, 2024, and the *Notice of Occurrence of Effective Date of Modified*  
10 *First Amended Joint Chapter 11 Plan of Liquidation* filed September 24, 2024, Richard A. Marshack  
11 became the Liquidating Trustee of the LPG Liquidation Trust, effective September 24, 2024. [Bankr.  
12 Docket Nos. 1646 & 1762.]

13 17. All claims have been transferred to the Liquidating Trust pursuant to the confirmed  
14 plan and Plaintiff brings this action solely in his capacity as the former Chapter 11 Trustee and current  
15 Liquidating Trustee of the LPG Liquidation Trust for the benefit of Debtor's Estate and its creditors.

16 **B. PROTECTIVE ORDER**

17 18. On or about May 2, 2024, Plaintiff filed that certain Notice and Motion for Entry of  
18 Protective Order (the "Protective Order Motion").

19 19. On June 3, 2024, the Court entered its Order Granting Motion for Entry of Protective  
20 Order and the Protective Order [Docket No. 1270] (the "Protective Order"). A true and accurate copy  
21 of the Protective Order is attached hereto as **Exhibit 1** and incorporated herein by reference.

22 20. By its own terms, the Protective Order applies to this adversary proceeding and  
23 governs all discovery conducted herein.

24 **C. LPG'S OWNERSHIP AND MANAGEMENT**

25 21. Prior to the Petition Date, LPG operated a law firm for consumers across the country  
26 who sought assistance in contesting or resolving debts.

27 23. The consumers that retained LPG to represent them would pay for LPG's services over  
28 a period of time via monthly ACH debits from the consumers' bank accounts.

1       24. The monthly payments were meant to cover all legal services LPG provided to the  
2 consumers including validation of the debts, review of documents to determine enforceability, court  
3 appearances to halt lawsuits to obtain judgments, and, in certain instances, filing lawsuits to eliminate  
4 disputed debts or pursue consumers' affirmative claims.

5       25. LPG mismanaged the consumers' monthly payments.

6       26. Tony Diab is, and at all relevant times was, an individual who operated, dominated  
7 and controlled LPG ("Diab"). Diab and other defendants devised a plan to fraudulently transfer funds,  
8 client files, Client Funds and assets in the form of ACH Receivables (the "ACH Receivables" or  
9 "Accounts Receivable") out of LPG to third parties prior to the filing of bankruptcy.

10       27. To obtain consumer clients, LPG contracted with marketing companies, who engaged  
11 in illegal capping, and would advertise to or call to solicit consumers to become clients of LPG in  
12 exchange for a percentage of the ACH Receivables to be collected from the consumers. The marketing  
13 affiliates went so far as to assist with the execution of an engagement letter between the consumer  
14 and LPG.

15       28. In exchange, LPG agreed to pay the marketing affiliates a percentage the monthly  
16 payments collected by LPG from the consumers.

17       29. Because LPG received payments from consumers over time, it often sought financing  
18 by borrowing against its future cash flows from the Accounts Receivable by means of, among other  
19 things, merchant cash advance agreements ("MCA Agreements"). This borrowing was not only used  
20 to finance operations at LPG and to pay fees owed to the marketing companies for providing the client  
21 referrals but also was used to pay creditors that had provided earlier-in-time financing in a growing  
22 Ponzi scheme.

23       30. Many of the documents executed in connection with such financing described the  
24 transactions as account receivable purchase agreements. However, LPG was not selling accounts  
25 receivable to MCA lenders, it was obtaining short term loans in return for the transfer of future  
26 monthly payments made by clients that were required to be held in client-trust accounts.

27       31. To facilitate the transfer of ACH Receivables to MCA lenders, Diab used entities he  
28 controlled including, without limitation, Vulcan Consulting Group ("Vulcan"), BAT Inc. (d/b/a

1 "Coast Processing"), Maverick Management Group LLC ("Maverick") and Prime Logix to divert  
2 LPG consumer funds and ACH Receivables. Diab would use numerous ACH processing companies  
3 including, without limitation, Coast Processing, in order to easily transfer millions of dollars from  
4 Debtor to the entities he controlled, without oversight or detection, and to avoid payment disputes  
5 and complications. The money that flowed from Debtor to Defendants through the bank accounts of  
6 the various entities Diab controlled consisted of Client Funds that Debtor funneled to these entities  
7 by means of the ACH processing companies. Debtor also made deposits into these entities bank  
8 accounts such that they received Client Funds directly from Debtor, in addition to direct Accounts  
9 Receivable.

10 32. LPG transferred ACH Receivables and the associated Client Funds in this fashion to  
11 defraud creditors in a pyramid scheme and for improper personal gain.

12 33. LPG's monthly revenue from client files was primarily received via ACH payments.  
13 To process ACH payments, LPG was required to enlist the services of ACH payment processing  
14 companies who handle high risk transactions. In this regard, Diab had enlisted numerous ACH  
15 processing companies to easily switch between different vendors and have millions of dollars of LPG  
16 funds directed to entities Diab controlled, including but not limited to Vulcan, Coast Processing,  
17 Maverick, Prime Logix and others. Diab utilized these other entities' bank accounts as LPG bank  
18 accounts.

19 34. ACH debits from LPG's consumer clients should have been deposited into an LPG  
20 trust account, until earned. Notwithstanding this requirement, some ACH debits were collected by  
21 entities other than LPG and never deposited in an LPG trust account, or were transferred out of LPG  
22 accounts to non-debtor entities, insiders, affiliates, marketing companies and co-conspirators. All of  
23 which rendered LPG insolvent requiring Diab and LPG to continue to improperly sell ACH  
24 Receivables multiple times over and incur new debt in a Ponzi scheme to finance LPG's continued  
25 and extravagant existence.

26       ///

27       ///

28       ///

1       35. Diab instructed lenders and file purchasers to divert LPG loan proceeds or to deposit  
2 money otherwise due to LPG into bank accounts he controlled on behalf of LPG but ostensibly held  
3 by Vulcan and other entities. Diab used all of these proceeds as if they were LPG funds, because they  
4 were.

5       36. Diab frequently diverted the LPG money pulled from its consumer clients and other  
6 funds it received through investors and lenders.

7       37. Diab frequently would direct these entities to pay LPG affiliates (aka marketing  
8 cappers), MCA lenders, and others with LPG assets.

9       38. Diab would instruct others at LPG and these entities on how to manage and transfer  
10 these funds to and from these entities and LPG interchangeably.

11 **D. BAT INC. (D/B/A “COAST PROCESSING”)**

12       39. LPG had a business partner called BAT Inc. d/b/a Coast Processing (“Coast  
13 Processing”), which was owned and controlled at various times by Diab, Brian Reale (“Reale”), Arash  
14 Asante Bayrooti (“Bayrooti”), and Mario Azevedo (“Azevedo”).

15       40. Coast Processing, among other functions, performed ACH debit processing to collect  
16 Client Funds from LPG’s consumer clients. In many cases, these funds would be retained by Coast  
17 Processing and would not be transferred into an LPG account.

18       41. LPG or other entities, including without limitation Vulcan, Maverick and others,  
19 would also regularly transfer LPG funds, including Client Funds, to Coast Processing to facilitate the  
20 transfer of payments to lenders, marketing cappers and others without detection.

21 **E. ABR ENTERPRISES LLC**

22       42. Upon information and belief, ABR Enterprises LLC (“ABR”) was, at all times  
23 relevant, an entity owned and controlled by Reale and Bayrooti.

24       43. Upon information and belief, Reale and/or Bayrooti would transfer funds to ABR,  
25 comprised in whole or in part of LPG Client Funds collected by Coast Processing or LPG funds  
26 transferred to Coast Processing.

27       44. On information and belief, LPG would also transfer LPG funds, including Client  
28 Funds, directly to ABR, according to proof at trial.

1 **F. DEFENDANTS VASCO AND MOR**

2 45. Defendant Vasco holds itself out publicly as a purchaser and seller of luxury items,  
3 and provider of collateral loans against luxury assets.

4 46. Upon information and belief, Defendant Mor is, and at all times relevant, was an owner  
5 and officer of Vasco.

6 **G. VASCO, COAST PROCESSING AND ABR**

7 47. Upon information and belief, Coast Processing and ABR owners Reale and Bayrooti,  
8 and Defendant Mor devised and regularly carried out a plan to fraudulently exchange LPG Client  
9 Funds and other LPG funds for various precious assets including but not limited to gold bars, luxury  
10 watches and gold, silver and platinum coins (“Precious Assets”), all to the benefit of Reale, Bayrooti,  
11 Vasco and Mor.

12 48. Upon information and belief, at various times between 2018 and 2023, Vasco and Mor  
13 would create bogus invoices from Vasco to Coast Processing and ABR, among other entities, for  
14 services such as marketing and consulting which Vasco and Mor did not actually provide.

15 49. Upon information and belief, Reale and Bayrooti would have Vasco’s invoices paid  
16 by Coast Processing as business expenses using funds derived in whole or in part from LPG Client  
17 Funds collected directly by Coast Processing or LPG funds, including Client Funds, transferred to  
18 Coast Processing from LPG or entities including, without limitation, Vulcan and Maverick. A total  
19 of at least \$471,460.61 in payments from Coast Processing to Vasco were made between May 15,  
20 2020 and June 7, 2021, according to proof at trial.

21 50. Upon information and belief, Reale and Bayrooti would have the invoices to ABR paid  
22 by ABR as business expenses using funds derived in whole or in part from LPG Client Funds collected  
23 directly by Coast Processing and transferred to ABR, from LPG Client Funds and other LPG funds  
24 that had previously been transferred to Coast Processing from LPG or other entities such as Vulcan  
25 or Maverick, or from LPG Client Funds or other LPG funds transferred directly to ABR from LPG  
26 or other entities such as Vulcan and Maverick.

27 51. Upon information and belief, in exchange for payment of the invoices, Vasco and Mor  
28 would give Reale and Bayrooti Precious Assets.

1       52. Upon information and belief, these exchanges allowed Reale and Bayrooti to extract  
2 tax-free compensation from Coast Processing and ABR in the form of Precious Assets, funded in  
3 whole or in part by LPG Client Funds.

4       53. Vasco and Mor, in turn, would receive a profit on the Precious Assets which were sold  
5 at values significantly higher than Vasco's cost to obtain the Precious Assets.

6 **H. VASCO, ARSHA AND LPG**

7       54. Upon information and belief, Bayrooti was an owner of Arsha Corp.

8       55. Upon information and belief, Coast Processing transferred funds to Arsha Corp.  
9 comprised in whole or in part of LPG Client Funds and other LPG funds. A total of \$452,187.61 in  
10 payments from Coast Processing to Vasco was made between June 28, 2019 and May 6, 2021,  
11 according to proof at trial.

12       56. Upon information and belief Bayrooti would arrange with Mor for Vasco to send  
13 bogus invoices to Arsha for marketing or other alleged services Vasco did not actually provide. The  
14 invoices would be paid by Arsha Corp. as a business expense, using in whole or in part LPG Client  
15 Funds or other LPG funds, and Vasco and Mor would provide Bayrooti with Precious Assets.

16       57. Upon information and belief, in the approximate time frame of September - November  
17 2022, Bayrooti arranged with Mor for Vasco to send bogus invoices for "marketing development" or  
18 similar alleged services to Arsha Corp. A copy of one such invoice is attached as **Exhibit 2**. Consistent  
19 with the practices described above, Bayrooti planned to have the invoices paid by Arsha Corp. as a  
20 business expense and, in exchange, he would personally receive certain Precious Assets from Vasco  
21 and Mor.

22       58. Upon information and belief, around this same period of time, Bayrooti was seeking  
23 repayment from Diab of a loan from Bayrooti to Diab with an agreed upon balance owed of \$400,000.

24       59. Upon information and belief, rather than having Diab repay him, Bayrooti requested  
25 that Diab pay Vasco for the Precious Assets Bayrooti was seeking to acquire from Vasco at the time.

26       60. Upon information and belief, Diab and Bayrooti coordinated with Mor and Vasco to  
27 replace the invoices to Arsha Corp. with multiple invoices from Vasco to LPG totaling \$395,581.73.  
28 These invoices were paid by LPG in four payments between October 17, 2022 and January 6, 2023

1 using Client Funds and other LPG funds. A summary of the LPG bank transactions reflecting these  
2 payments and three checks used to make the payments are collectively attached as Exhibit 3. The  
3 checks used to pay Vasco contained memos indicating that the payments were for “marketing  
4 development,” “lead generation,” and “business consultation.” Upon information and belief, Vasco  
5 and Mor subsequently gave the Precious Assets to Bayrooti and the Precious Assets were never  
6 received by LPG.

7 **I. ATTEMPTED COVER-UP BY MOR**

8 61. Based on the history of payments from LPG to Vasco within two years of the Petition  
9 Date, counsel for the Trustee filed a motion pursuant to Fed. R. Bankr. P. 2004 and L.B.R. 2004-1  
10 for an order authorizing the production of documents by Vasco Assets. [Bankr. Dk. No. 957.] The  
11 Motion was based upon a need to discover the basis for the payments from LPG to Vasco. The Court  
12 granted the Motion via Order dated February 23, 2024 [Bankr. Dk. No. 964] and a corresponding  
13 subpoena was issued to Vasco.

14 62. In response to the subpoena and communication with counsel for the Trustee, Mor on  
15 behalf of Vasco sent a letter to counsel for the Trustee explaining the four payments from LPG to  
16 Vasco described above were made pursuant to 15 invoices for Precious Assets sold to LPG. A copy  
17 of the letter and accompanying invoices are collectively attached as Exhibit 4.

18 63. In order to discover the location of the Precious Assets allegedly purchased by LPG,  
19 counsel for the Trustee files another motion pursuant to Fed. R. Bankr. P. 2004 and L.B.R. 2004-1  
20 for an order authorizing the production of documents by Vasco Assets [Bankr. Dk. No. 1448.] which  
21 was granted via Order on July 24, 2024. [Bankr. Dk. No. 1452.] A corresponding subpoena was issued  
22 to Vasco.

23 64. In response to the subpoena and communication with counsel for the Trustee, Mor  
24 provided a signed declaration stating that he is the CEO of Vasco and custodian of records; that the  
25 invoices to LPG he produced were true and complete copies from Vasco’s records; that he on behalf  
26 of Vasco had sold the items listed on the invoices to Diab on behalf of LPG; and that Diab paid for  
27 the items listed on the invoices. Also included with Mor’s production of documents in response to the  
28 second subpoena was a picture of Diab at a Starbucks wearing the Cartier watch referenced in one of

1 the Vasco invoices to LPG. A copy of Mor's declaration and documents produced therewith are  
2 attached as **Exhibit 5.**<sup>1</sup>

3 65. Upon information and belief, Mor's declaration, Vasco's invoices to LPG and the  
4 picture of Diab were false and/or misleading.

5 66. Upon information and belief, after Mor was first contacted and subpoenaed by counsel  
6 for the Trustee in early 2024, Mor, Bayrooti and Diab conspired to create the impression that LPG  
7 has legitimately purchased the Precious Assets to hide the true fraudulent nature of the transactions.  
8 In furtherance of their plan, Mor and Vasco created the invoices attached as Exhibit 4 in early 2024  
9 and back-dated them to dates in 2022. They also met at a Starbucks and staged a photo of Diab  
10 wearing a Cartier watch included on one of the invoices. The picture of Mr. Diab wearing this watch  
11 (taken in 2024) is attached to the Benny Mor declaration, Exhibit 5 hereto. Mor also drafted the  
12 above-described letter and subsequently executed the above-described declaration in an attempt to  
13 legitimize the fake invoices and suggest that Diab and LPG had actually purchased the Precious  
14 Assets itemized on the invoices.

15 67. Upon information and belief, Mor agreed to the above-described scheme in exchange  
16 for the return from Bayrooti of approximately \$400,000 worth of Precious Assets.

17 **J. TRANSFERS OF LPG FUNDS TO VASCO**

18 68. During the four years preceding the bankruptcy Petition Date, Defendant Vasco  
19 directly or indirectly received a sum of at least \$867,042.34 of LPG's Client Funds or other LPG  
20 funds, with at least \$493,517.50 of the total received during the two years before the Petition Date.

21 69. Upon information and belief, Vasco directly or indirectly received additional LPG  
22 Client Funds or other LPG funds, in an amount to be proven at trial, during the 90-day, two-year  
23 and/or four-year period prior to the Petition Date. (All LPG funds received directly or indirectly by  
24 Vasco at any time during the four-years preceding the Petition Date collectively described as the  
25 "Transfers.")

26        // /

27 \_\_\_\_\_

28 <sup>1</sup> The invoices and checks referenced as exhibits to the declaration are Exhibits 3 and 4 to this  
Complaint.

1 **K. LPG'S PONZI SCHEME**

2 70. The Ponzi Scheme Presumption exists in bankruptcy proceedings.

3 71. The Ponzi Scheme Presumption can be utilized to establish a debtor's "intent to  
4 defraud future undertakers [investors] from the mere fact that a debtor was running a Ponzi scheme.  
5 Indeed, no other reasonable inference is possible. A Ponzi scheme cannot work forever. The investor  
6 pool is a limited resource and will eventually run dry. The perpetrator must know that the scheme  
7 will eventually collapse as a result of the inability to attract new investors. The perpetrator  
8 nevertheless makes payments to present investors, which, by definition, are meant to attract new  
9 investors. He must know all along, from the very nature of his activities, that investors at the end of  
10 the line will lose their money. Knowledge to a substantial certainty constitutes intent in the eyes of  
11 the law, *cf. Restatement (Second) of Torts* § 8A (1963 & 1964), and a debtor's knowledge that future  
12 investors will not be paid is sufficient to establish his actual intent to defraud them. *Kirkland v. Rund*  
13 (*In re EPD Inv. Co., LLC*), 114 F.4<sup>th</sup> 1148, 1153 (9th Cir. 2024) (by definition Ponzi scheme is  
14 destined to fail and the swindler and their entities often end in bankruptcy or equitable receivership);  
15 *cf. Coleman Am. Moving Servs., Inc. v. First Nat'l Bank & Trust Co. (In re American Properties,*  
16 *Inc.)* 14 Bankr. 637, 643 (Bankr. D. Kan. 1981) (intentionally carrying out a transaction with full  
17 knowledge that its effect will be detrimental to creditors is sufficient for actual intent to hinder, delay  
18 or defraud within the meaning of § 548(a)(1))." *Merrill v. Abbott (In re Independent Clearing House*  
19 *Co.)* 77 B.R. 843, 860 (D. Utah 1987). A trustee in bankruptcy is not required to show that an operator  
20 of a Ponzi scheme was subjectively aware his Ponzi scheme was destined to fail. *In re EPD Inv. Co.,*  
21 *LLC*, 114 F.4<sup>th</sup> at 1153 ("[a] trustee's action to recover assets fraudulently conveyed in the course of  
22 a Ponzi scheme does not require that the trustee also prove the Ponzi-scheme operator was  
23 subjectively aware his Ponzi scheme was destined to fail.").

24 72. "But if all the debtor receives in return for a transfer is the use of the defendant's  
25 money to run a Ponzi scheme, there is nothing in the bankruptcy estate for creditors to share. In fact,  
26 by helping the debtor perpetuate his scheme, the transfers exacerbate the harm to creditors by  
27 increasing the amount of claims while diminishing the debtor's estate. In such a situation, the use of  
28 the defendant's money cannot objectively be called "reasonably equivalent value." *In re Independent*

1 *Clearing House Co.*, 77 B.R. at 859. Therefore, “[t]he trustee can avoid the transfers if they were  
2 preferential or fraudulent. Transfers to investors in a Ponzi scheme are preferential and fraudulent.  
3 Therefore, they constitute ‘property of the estate,’ and the trustee can recover them.” *Id.* at 853 n.17  
4 (citations omitted).

5 73. Debtor was operating a Ponzi scheme that utilized affiliates and several other entities  
6 as investors to continue its unlawful business practices by using funds provided by current investors  
7 to attract new investors hoping for very high returns. Therefore, the Debtor was running a Ponzi  
8 scheme and the Ponzi Scheme Presumption can be utilized to infer that the Debtor had the intent to  
9 defraud investors within the meaning of 11 U.S.C. § 548(a)(1). This is evidenced by the Court in this  
10 Bankruptcy Case declaring that Debtor was operating a Ponzi scheme:

11 It is important to note that this Court has never received any significant and trustworthy  
12 evidence that Debtor accomplished meaningful results for its clients, but only  
13 anecdotal examples of viable success for its clients. By reviewing the Estate’s claims  
14 register, there is evidence of consumer claims for the fraud and demanded but  
15 undelivered refunds of approximately \$500 million. There is ample evidence that the  
16 pre-petition Debtor never placed the collected funds into an attorney-client trust  
17 account, and that Debtor or its principals simply looted the payments received through  
18 the client automatic withdrawals, stiffing both the clients and outside attorneys who  
19 may have been working on client cases with the hopes of being paid. There is also  
20 evidence before the Court that Debtor was running a Ponzi scheme and paying some  
21 outside (or “network”) attorneys with funds obtained from new clients. In this case, it  
22 appears that some of the “lenders” may have been serving as “investors,” hoping for  
23 very high returns before “the music stopped.” The Ninth Circuit has recently  
24 explained, “[b]y definition, a Ponzi scheme is destined to fail because the pool of  
25 available investors is not limitless. When the Ponzi scheme operator’s pool of  
26 investors inevitably runs dry, the scheme collapses and the swindler and their entities  
27 often end up in bankruptcy or equitable receivership. *See generally* David R. Hague,  
Expanding the Ponzi Scheme Presumption, 64 DePaul L. Rev. 867 (2015). In  
bankruptcy, the court-appointed trustee is tasked with taking immediate control of the  
entity, ceasing ongoing fraudulent activity, locating and collecting assets for the  
bankruptcy or receivership estate, and achieving a final, equitable distribution of  
remaining assets. *See* 11 U.S.C. § 704.” *Kirkland v. Rund (In re EPD Inv. Co., LLC)*,  
2024 U.S. App. LEXIS 21363, at \*15 (9th Cir. Aug. 23, 2024). Finally, there is  
evidence that Debtor was encumbering (or as some creditors assert, “double or triple  
selling”) their accounts or receivables to multiple lenders. With respect to Greyson’s  
requested Administrative Claim [Dk. 676], and as more fully described in the  
concurrently entered order denying the claim, there has been no evidence presented  
that any work allegedly performed by Greyson assisted any clients or added any value  
to the Estate.

28 *See*, Case No. 8:23-bk-10571-SC, [Bankr. Docket No. 1545, Fn. 5.]

1       74. The fraudulent transactions between Vasco and Mor, and LPG and associated entities  
2 including Coast Processing, ABR and Arsha Corp. served to further the Ponzi scheme, enriching the  
3 perpetrators of the scheme at the expense of later “investors” and creditors of LPG.

4       75. Moreover, since the Transfers of LPG funds to Vasco were made with intent to further  
5 the Ponzi scheme, and since the Debtor did not actually receive the goods purchased using LPG’s  
6 funds, the Debtor did not receive an objectively reasonable equivalent value for the Transfers, and  
7 the trustee can avoid the Transfers because they were preferential and fraudulent.

8       76. Debtor’s and Vasco’s operations, activities, and transfers done in furtherance of the  
9 Ponzi scheme, also constituted a criminal enterprise.

10      77. This, too, is evidenced by the Court’s order in the 1046 Action wherein it denied the  
11 Motion of Greyson Law Center to Vacate the Preliminary Injunction previously entered in Debtor’s  
12 main case, and the Court offered the opinion:

13      Through the various proceedings and evidence produced in both the main case and the  
14 various adversary proceedings, including but not limited to various Motions for  
15 Temporary Restraining Orders, Preliminary Injunctions, Motions to Dismiss, a Motion  
16 for Appointment of a Chapter 11 Trustee, a Motion to Sell Assets, a multitude of  
17 pleadings filed by both secured and unsecured creditors (supported by evidence  
18 presented under oath) in support of their claims, and especially the pleadings and  
19 evidence presented by the “Watchdog of the Bankruptcy System” aka the Office of  
the United States Trustee (an arm of the United States Department of Justice), *it is  
clear to this Court that Debtor, since its pre-petition inception (and through the time  
of the appointment of the Chapter 11 Trustee) was in the Court’s opinion, operating a  
criminal enterprise.*

20 Case No. 8:23-bk-10571-SC, ADv. No. 8:23-ap-01046-SC [Bankr. Docket No. 1545, p. 3 (emphasis  
21 in original)].

22      78. As part of this criminal enterprise, Debtor and Vasco engaged in fraudulent Transfers  
23 of LPG’s Client Funds to Vasco for the purpose of facilitating LPG’s enterprise. LPG did not receive  
24 reasonably equivalent value for its transfers to Vasco. The Transfers constituted wire fraud.

25 **L. LPG’s Prepetition Creditors**

26      79. Debtor was insolvent when each Transfer was made. This insolvency is evidenced in  
27 part by the fact that 14 separate UCC-1 statements were of record securing debts of the Debtor as of  
28 September 1, 2022. These statements remained unreleased as of the Petition Date. These statements

1 either reflected secured liens against the Debtor's assets then owned or thereafter acquired, or  
2 provided evidence of the assignment or sale of substantial portions of the Debtor's future income.

3 80. Debtor was insolvent when each Transfer was made. This insolvency is evidenced in  
4 part by the fact that 14 separate UCC-1 statements were of record securing debts of the Debtor as of  
5 September 1, 2022. These statements remained unreleased as of the Petition Date. These statements  
6 either reflected secured liens against the Debtor's assets then owned or thereafter acquired, or  
7 provided evidence of the assignment or sale of substantial portions of the Debtor's future income.

8 81. When the Transfers were made, these prior UCC-1 statements secured the repayment  
9 of the following claimed amounts that are currently known to Trustee and are allegedly owed by the  
10 Debtor: (i) \$2,374,004.82 owed to Fundura Capital Group as evidenced by Proof of Claim No. 335  
11 purportedly secured by a UCC statement filed on or about May 19, 2021; (ii) approximately \$15  
12 million dollars owed to MNS Funding, LLC as evidenced by Proof of Claim No. 1060 purportedly  
13 secured by a UCC statement filed on or about May 28, 2021; (iii) approximately \$5,000,000 owed to  
14 Azzure Capital, LLC as evidenced by Proof of Claim No. 127 secured by a UCC statement filed on  
15 or about May 28, 2021; and (iv) approximately \$1.5 million dollars owed to Diverse Capital, LLC  
16 purportedly secured by UCC statements filed on or about September 15, 2021, and December 1,  
17 2021.<sup>2</sup>

18 82. As alleged above, LPG was borrowing against its assets and future income, often on  
19 unfavorable terms, not only to finance operations at LPG, but also to pay the fees owed to the  
20 marketing affiliates for providing consumer clients and to pay other loans to creditors that were in  
21 default or about to be in default as part of Diab's scheme to keep LPG creditors at bay for a long as  
22 possible until he could transfer LPG's assets, client files, Client Funds, and ACH Receivables to other  
23 entities under his control. Pursuant to the agreements with the marketing companies, significant  
24 percentages of future payments were already promised to be paid to the marketing affiliates from  
25 whatever future income the Debtor would receive. And, of course, the payments LPG received in the  
26 form of ACH Receivables were also trust funds paid to LPG by its law firm clients, subject to return  
27

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28 <sup>2</sup> Trustee reserves all rights, claims, and defenses with respect to these and any other purported  
secured or unsecured claims.

1 of funds in the event of a request for refund or termination of the representation before LPG had  
2 earned the funds. In this regard, except to the extent earned, the ACH Receivables also represented  
3 a liability of the Debtor.

4 83. In addition, on Debtor's Schedule E/F [Bankr. Docket No. 33], Debtor scheduled 11  
5 unsecured creditors with priority unsecured claims totaling \$374,060.04. These priority unsecured  
6 creditors include Indiana Dept. of Revenue, Dept. of Labor and Industries, Arizona Dept. of Economic  
7 Security, Arkansas Dept. of Finance & Admin., California Franchise Tax Board, Georgia Dept. of  
8 Labor, Internal Revenue Service, Mississippi Dept. of Revenue, Nevada Dept. of Taxation, Utah State  
9 Tax Commission, and Wisconsin Dept. of Revenue (collectively, "Priority Unsecured Creditors").

10 84. Another group of creditors that Debtor listed on its Schedule E/F [Bankr. Docket No.  
11 33] are nonpriority unsecured creditors. Those 58 creditors have scheduled claims totaling  
12 \$141,439,158.05 and include Ajilon; Anthem Blue Cross; Azevedo Solutions Groups, Inc.; Carolina  
13 Technologies & Consulting Invoice; Collaboration Advisors; Credit Reporting Service Inc.; CT  
14 Corporation – Inv.; Debt Pay Pro; Document Fulfillment Services; EnergyCare, LLC; Exela  
15 Enterprise Solutions; First Legal Network, LLC; GHA Technologies Inc.; Harrington Electric, Inc.;  
16 Imagine Reporting; Juize, Inc.; Krisp Technologies, Inc.; Liberty Mutual; Marc Lemauviel – Allegra;  
17 MarkSYS Holdings, LLC; Netsuite-Oracle; Pitney Bowes; Rapid Credit, Inc.; SBS Leasing A  
18 Program of De Lage Landen; Security Solutions; Sharp Business Systems; Streamline Performance,  
19 Inc.; Thomson Reuters; Twilio, Inc.; Nationwide Appearance Attorneys; Executive Center, LLC;  
20 Outsource Accelerator, Ltd.; TaskUs Holdings, Inc.; Marich Bein, LLC; Validation Partners; MC  
21 DVI Fund 1, LLC; MC DVI Fund 2, LLC; Debt Validation Fund II, LLC; Tustin Executive Center;  
22 LexisNexus; JP Morgan Chase; Business Centers of America; Michael Schwartz; Anibal Colon Jr.;  
23 Kathleen Lacey; David Ulery; Kimberly Birdsong; Kevin Carpenter; Karen Suell; Gloria Eaton;  
24 Carolyn Beech; Debra Price; Kenneth Topp; Darcey Williamson, Trustee; James Hammett; Johnny  
25 Rizo; Beverly Graham; Kathleen Scarlett; and Geneve and Myranda Sheffield (collectively,  
26 "Nonpriority Unsecured Creditors" and, together with the Secured Creditors and Priority Unsecured  
27 Creditors, "Prepetition Creditors").

28 / / /

85. The bar date for submitting claims as part of the Bankruptcy Case has passed and Plaintiff now knows that over 5,000 claims were filed totaling approximately \$500 million in priority, secured and unsecured claims.

## **FIRST CLAIM FOR RELIEF**

## **Count I - Avoidance, Recovery, and Preservation of 2-Year**

## Actual Fraudulent Transfers Against Defendant Vasco

[11 U.S.C. §§ 548(a)(1)(A), 550, and 551]

86. Plaintiff realleges and incorporates here by reference all of the preceding allegations as though set forth in full.

87. Some Transfers occurred within the two years prior to the Petition Date.

88. On or after the date that such Transfers were made, entities to which Debtor was or became indebted include the Prepetition Creditors.

89. The Transfers happened while Debtor was insolvent or rendered Debtor insolvent.

90. Despite Debtor's obligation to the Prepetition Creditors, Defendants continued to be paid amounts derived from Debtor's Client Funds or other funds directly from Debtor or indirectly from others in possession of such funds.

91. As alleged above, Debtor received nothing of value from Defendants and, as a result, at the time the Transfers were made, Debtor received less than reasonably equivalent value.

92. The Transfers of Debtor's funds are avoidable as fraudulent pursuant to 11 U.S.C. §§ 548(a)(1)(A), 550, and 551 by one or more creditors who held and hold unsecured claims against Debtor that were and are allowable against his Estate under 11 U.S.C. § 502 or that were not and are not allowable only under 11 U.S.C. § 502(e), including, without limitation, the Prepetition Creditors.

93. The Transfers should be avoided as fraudulent under 11 U.S.C. § 548(a)(1)(A), and such transferred property, or the value thereof, should be recovered and preserved for the benefit of the Estate pursuant to 11 U.S.C. §§ 550 and 551.

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## **SECOND CLAIM FOR RELIEF**

## Avoidance, Recovery, and Preservation of 2-Year Constructive

## Fraudulent Transfers Against Defendant Vasco

[11 U.S.C. §§ 548(a)(1)(B), 550, and 551]

94. Plaintiff realleges and incorporates here by reference each and every preceding allegation as though set forth in full.

95. A portion of the Transfers occurred within the two years prior to the Petition Date.

96. On or after the date that such Transfers were made, entities to which Debtor was or became indebted include the Prepetition Creditors.

97. The Transfers happened while Debtor:

- a. was insolvent or became insolvent as a result;
- b. was engaged or was about to engage in a transaction for which any property remaining with Debtor was of unreasonably small capital; or
- c. intended to incur, or believed that it would incur, debts beyond its ability to pay as such debts matured.

98. As alleged above, Debtor received nothing of value from Defendants and, as a result, at the time the Transfers were made, Debtor received less than reasonably equivalent value.

99. The Transfers should be avoided as fraudulent under 11 U.S.C. § 548(a)(1)(B), and such transferred property, or the value thereof, should be recovered and preserved for the benefit of the Estate pursuant to 11 U.S.C. §§ 550 and 551.

### **THIRD CLAIM FOR RELIEF**

## Avoidance, Recovery, and Preservation of 4-Year

## Actual Fraudulent Transfers Against Defendant Vasco

[11 U.S.C. §§ 544(b), 550, and 551; CAL. CIV. CODE §§ 3439.04(a) and 3439.07]

25 100. Plaintiff realleges and incorporates here by reference all preceding allegations as  
26 though set forth in full.

101. The Transfers occurred within the four years prior to the Petition Date.

111

1 102. On or after the date that such Transfers were made, entities to which Debtor was or  
2 became indebted include the Prepetition Creditors.

3 103. Despite Debtor's obligation to the Prepetition Creditors, Defendants continued to be  
4 paid amounts derived from Debtor's Client Funds or other funds directly from Debtor or indirectly  
5 from others in possession of such funds.

6 104. As alleged above, Debtor received nothing of value from Defendants and, as a result,  
7 at the time the Transfers were made, Debtor received less than reasonably equivalent value.

8 105. The Transfers of Debtor's funds are avoidable as fraudulent pursuant to 11 U.S.C. §  
9 544(b) and CAL. CIV. CODE §§ 3439.04(a) and 3439.07 by one or more creditors who held and hold  
10 unsecured claims against Debtor that were and are allowable against his Estate under 11 U.S.C. § 502  
11 or that were not and are not allowable only under 11 U.S.C. § 502(e), including, without limitation,  
12 the Prepetition Creditors.

13 106. Accordingly, the Transfers should be avoided as fraudulent under 11 U.S.C. §§ 544(b)  
14 and CAL. CIV. CODE §§ 3439.04(a) and 3439.07, and such transferred property, or the value thereof,  
15 should be recovered and preserved for the benefit of the Estate pursuant to 11 U.S.C. §§ 550 and 551  
16 and CAL. CIV. CODE § 3439.07.

17 **FOURTH CLAIM FOR RELIEF**

18 **Avoidance, Recovery, and Preservation of 4-Year Constructive  
19 Fraudulent Transfers Against Defendant Vasco**

20 **[11 U.S.C. §§ 544(b), 550, and 551; CAL. CIV. CODE §§ 3439.05, and 3439.07]**

21 107. Plaintiff realleges and incorporates here by reference all preceding allegations as  
22 though set forth in full.

23 108. The Transfers occurred within the four years prior to the Petition Date.

24     ///

25     ///

26     ///

27     ///

28     ///

1 109. The Transfers happened while Debtor:

2 a. was insolvent or became insolvent as a result;

3 b. was engaged or was about to engage in a transaction for which any property remaining with

4 Debtor was of unreasonably small capital; or

5 c. intended to incur, or believed that it would incur, debts beyond its ability to pay as such debts

6 matured.

7 110. As alleged above, Debtor received nothing of value from Defendants and, as a result,

8 at the time the Transfers were made, Debtor received less than reasonably equivalent value.

9 111. The Transfers of Debtor's funds are avoidable as fraudulent pursuant to 11 U.S.C. §

10 544(b) and CAL. CIV. CODE §§ 3439.05 and 3439.07 by one or more creditors who held and hold

11 unsecured claims against Debtor that were and are allowable against his Estate under 11 U.S.C. §

12 502 or that were not and are not allowable only under 11 U.S.C. § 502(e), including, without

13 limitation, the Prepetition Creditors.

14 112. Accordingly, the Transfers should be avoided as fraudulent under 11 U.S.C. §§ 544(b)

15 and CAL. CIV. CODE §§ 3439.05 and 3439.07, and such transferred property, or the value thereof,

16 should be recovered and preserved for the benefit of the Estate pursuant to 11 U.S.C. §§ 550 and 551

17 and CAL. CIV. CODE § 3439.07.

18 **FIFTH CLAIM FOR RELIEF**

19 **Aiding and Abetting (Vasco and Mor)**

20 **[11 U.S.C. §§ 544(b), 550, and 551; Cal. Civ. Code §§ 3439.04(a),**

21 **3934.04(b), and 3439.07]**

22 113. Plaintiff realleges and incorporates herein by reference all of the preceding allegations

23 as though set forth in full.

24 114. Defendants, based upon information and belief and based on the Ponzi Scheme

25 Presumption, had knowledge of the fraudulent transactions, transfers and illegal agreements that were

26 used to perpetuate and conceal the Ponzi scheme and fraudulent transfers.

27 115. Defendants, with the foregoing knowledge, intended to, and did, help the Debtor in

28 perpetuating and concealing the Ponzi scheme and fraudulent transfers of money.

1 116. At all material times, Defendants had the intent to facilitate and conceal the Ponzi  
2 scheme and fraudulent transfers of money by assisting in moving money out of the Debtor via fake  
3 and fraudulent invoices to insiders of the Debtor and its affiliates and in a manner to avoid income  
4 taxes.

5       117. Defendants, upon information and belief, assisted, and did actually engage in, the  
6 commission of fraud and the Ponzi scheme by coordinating, facilitating, and directing payments and  
7 transfers of monies and executing documents in furtherance of concealing the true nature of their  
8 fraudulent and criminal activity related to the Ponzi scheme.

9       118. The injuries to Plaintiff, the Debtor's Estate and to its creditors directly, proximately  
10 and reasonably foreseeably resulting from and caused by violations of Sections 6151 and 6155 of the  
11 California Business and Professional Code include, without limitation, hundreds of thousands of  
12 dollars in improperly transferred and acquired moneys.

13        119. Plaintiff and the Debtor's estate also suffered damages by incurring attorney's fees  
14 and costs associated with the prosecution of Defendants' unlawful activities.

## **SIXTH CLAIM FOR RELIEF**

## Turnover of Estate Property (Vasco and Mor)

[11 U.S.C. § 542]

18       120. Plaintiff realleges and incorporates herein by reference all preceding allegations as  
19 though set forth in full.

20 121. Vasco and/or Mor has possession or control over property of the Estate in the form of  
21 the Transfers and Precious Assets purchased through Transfers.

22 122. The Transfers and Precious Assets are not of inconsequential value to the Estate.

123        123. The funds and Precious Assets that are the subject of the Transfers are paramount to  
124        Debtor's ability to pay creditors.

25       124. Accordingly, upon entry of judgment that the agreements are avoided or declared  
26 unenforceable, Trustee is entitled to a further judgment for turnover of the Transfers and Precious  
27 Assets pursuant to 11 U.S.C. § 542.

28 | //

1 **RESERVATION OF RIGHTS**

2 125. Plaintiff reserves the right to bring all other claims or causes of action that Plaintiff  
3 may have against Defendants, on any and all grounds, as allowed under the law or in equity, including  
4 but not limited to, those claims not known by the Trustee at this time but that he may discover during  
5 the pendency of this adversary proceeding.

6 **PRAYER FOR RELIEF**

7 **On the First, Second, Third, Fourth, and Fifth Claims for Relief:**

8 1. Avoiding, recovering, and preserving the Transfers made to Vasco in the total  
9 aggregate amount of not less than \$867,042.34;

10 **On the First, Third and Fifth Claims for Relief:**

11 2. Awarding punitive and exemplary damages according to proof;

12 **On the Sixth Claim for Relief:**

13 3. Ordering Vasco to immediately turn over the Transfers, Precious Assets or the goods  
14 purchased using LPG funds;

15 **On All Claims for Relief:**

16 4. Awarding pre-judgment interest at the maximum legal rate;

17 5. Awarding post-judgment interest at the maximum legal rate from the date of the last  
18 Transfer until the judgment is paid in full;

19 6. Awarding costs of suit incurred herein; and

20 Granting any other and further relief as the Court deems just and proper.

21 Respectfully submitted,

22 Dated: March 19, 2025

23 DINSMORE & SHOHL LLP

24 By: /s/ Christopher B. Ghio

25 Christopher B. Ghio

26 M. Trent Spurlock

27 Suzanne M. Marino

28 Special Counsel to Richard A. Marshack,  
Trustee of the LPG Liquidation Trust

# Exhibit 1

1 CHRISTOPHER B. GHIO (259094)  
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FILED & ENTERED

JUN 03 2024

CLERK U.S. BANKRUPTCY COURT  
Central District of California  
BY mccall DEPUTY CLERK

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15 (Admitted pro hac vice)

16 Special Counsel to Richard A. Marshack

17 **UNITED STATES BANKRUPTCY COURT**

18 **CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION**

19 In Re Case No: 23-bk-10571-SC

20 Chapter 11

21 The Litigation Practice Group P.C.,  
22 Debtor(s),

**ORDER GRANTING MOTION FOR  
ENTRY OF PROTECTIVE ORDER AND  
THE PROTECTIVE ORDER**

23 Date: May 23, 2024  
24 Time: 1:30 p.m.  
25 Judge: Hon. Scott C. Clarkson  
26 Place: Courtroom 5C (via Zoom)<sup>1</sup>  
27 411 West Fourth Street  
28 Santa Ana, CA 92701

1 Video and audio connection information for each hearing will be provided on Judge Clarkson's publicly posted hearing calendar, which may be viewed online at:  
<http://ecf-ciao.cacb.uscourts.gov/CiaoPosted/?jid=SC>.

1 The Court has read and considered the Notice of Motion and Motion for Entry of Protective  
2 Order (the "Motion") filed by Richard A. Marshack, in his capacity as the Chapter 11 Trustee (the  
3 "Trustee") of the Bankruptcy Estate ("Estate") of The Litigation Practice Group P.C., on May 2, 2024,  
4 pursuant to Federal Rule of Bankruptcy Procedure 7026 and Federal Rule of Civil Procedure 26(c)(1),  
5 as Dk. No. 1164 ("Motion"), and has found good cause to grant the Motion.

6 IT IS HEREBY ORDERED that:

7 1. The Motion is granted;  
8 2. The below Protective Order shall apply to any contested matter arising  
9 in the main bankruptcy case and in all adversary proceedings filed by or against Trustee,  
10 present and future; and  
11 3. Govern the discovery conducted therein.

12

## 13 **PROTECTIVE ORDER**

14 **1. DEFINITIONS**

15 1.1 "Confidential Information" as used in this Protective Order shall mean documents and  
16 other information (regardless of how generated, stored or maintained) that a Party or non-party  
17 reasonably believes to contain or reflect non-public financial or business information, bank records,  
18 financial records, such as social security numbers, non-public financial or personal information of a  
19 Party or non-party, account numbers, sensitive digital information and identifiers, information subject  
20 to confidentiality agreements or provisions other than this Protective Order, and other non-public  
21 research, development, or commercial information that derives value or avoids injury by virtue of not  
22 being known to the public.

23 1.2 This "Action" is defined and hereby means any contested matter arising in the main  
24 bankruptcy case and in all adversary proceedings filed by or against Trustee, present and future.

25 1.3 "Designating Party" means a Party or non-party that designates Confidential  
26 Information during the Action.

27 1.4 "Receiving Party" means a Party that receives Confidential Information during the  
28 Action.

1 1.5 "Party" or "Parties" means person or entity subject to this Protective Order.

2 **2. SCOPE OF THIS PROTECTIVE ORDER**

3 2.1 Unless otherwise ordered, this Protective Order shall govern certain documents and  
4 other products of discovery obtained in the Action from the Parties there to, and from third parties.  
5 As well as certain information copied or derived therefrom, excerpts, summaries or compilations  
6 thereof, including, but not limited to, documents voluntarily exchanged as part of early settlement  
7 discussions, documents produced pursuant to initial disclosures, requests authorized by the Federal  
8 Rules of Civil Procedure made applicable herein by the Federal Rules of Bankruptcy Procedure,  
9 answers to interrogatories, deposition transcripts, responses to requests for production, responses to  
10 requests for admission, subpoenas, affidavits, declarations, expert reports, and other such material  
11 and information as may be produced during the course of the Action and designated as Confidential  
12 Information.

13 **3. DESIGNATION OF CONFIDENTIAL INFORMATION**

14 3.1 This Protective Order shall govern the production and handling of any Confidential  
15 Information in this Action. Any Party or non-party who produces Confidential Information in this  
16 Action may designate it as "Confidential" or "Attorneys' Eyes Only" consistent with the terms of this  
17 Protective Order. Whenever possible, the Designating Party must designate only those portions of a  
18 document, written discovery responses, deposition, transcript, or other material that contain the  
19 Confidential Information and refrain from designating entire documents. Regardless of any  
20 designations made hereunder, the Designating Party is not otherwise restricted from use or disclosure  
21 of its Confidential Information outside of this Action or for any business purposes. In addition, any  
22 Party may move to modify or seek other relief from any of the terms of this Protective Order if it has  
23 first tried in writing and in good faith to resolve its needs or disputes with the other Parties or Party  
24 as the case may be under the terms of this Protective Order. Further, nothing in this Protective Order  
25 shall prevent a Party from redacting documents consistent with the Federal Rules of Civil Procedure  
26 and utilizing the documents as needed through-out the Action.

27 3.2 Application to Non-Parties: Before a non-party is given copies of documents or  
28 materials designated as Confidential Information or Attorneys' Eyes Only as permitted hereunder, it

1 must first sign an acknowledgment to be bound to these terms that is attached hereto as Exhibit A; if  
2 it fails to do so, the Parties to this Action must resolve any such dispute before making disclosure of  
3 designated information as permitted hereunder to the non-party. If a non-party wishes to make  
4 designations hereunder, it must first sign attached Exhibit A.

5       3.3     Timing and Provisional Protection: Designations of Confidential Information may be  
6 made at any time. To avoid potential waiver of protection hereunder, the Designating Party should  
7 designate documents or materials containing Confidential Information at the time of production or  
8 disclosure, including on the record during the taking of any deposition. Deposition testimony will be  
9 deemed provisionally protected for a period of thirty (30) days after the transcript is released to the  
10 Parties by the court reporter, although the Parties may agree at any time to different timelines of  
11 provisional protection of information as Confidential or Attorneys' Eyes Only as part of one or more  
12 specific depositions. To retain any designations beyond the provisional period, a Designating Party  
13 must designate specific pages and lines of deposition testimony before the provisional period has  
14 expired. Such designations must be made in writing so that all counsel and court reporters may append  
15 the designation to all copies of the transcripts.

16       3.4     Manner of Designation: Confidential Information may be designated hereunder in any  
17 reasonable manner or method that notifies the Receiving Party of the designation level and identifies  
18 with specificity the information to which the designation applies. If made verbally, the Designating  
19 Party must promptly confirm the designation in writing. Whenever possible, the Designating Party  
20 should stamp, affix, or embed a legend of "CONFIDENTIAL" or "ATTORNEYS' EYES ONLY" on  
21 each designated page of the document or electronic image that contains Confidential Information.

22       **4. CHALLENGES TO DESIGNATED INFORMATION**

23       4.1     In the event that a Receiving Party disagrees at any time with any designation(s) made  
24 by the Designating Party, the Receiving Party must first try to resolve such challenge in good faith  
25 on an informal basis with the Designating Party. The Receiving Party must provide written notice of  
26 the challenge and the grounds therefor to the Designating Party, who must respond in writing to the  
27 challenge within fifteen (15) days. At all times, the Designating Party carries the burden of  
28 establishing the propriety of the designation and protection level. Unless and until the challenge is

1 resolved by the Parties or ruled upon by the Court, the designated information shall remain protected  
2 under this Protective Order. The failure of any Receiving Party to challenge a designation does not  
3 constitute a concession that the designation is proper or an admission that the designated information  
4 is otherwise competent, relevant, or material.

5 **5. LIMITED ACCESS/USE OF PROTECTED INFORMATION**

6 5.1 Restricted Use: Information that is produced or exchanged in the course of the Action  
7 and designated under this Protective Order may be used for preparation for trial and preparation for  
8 any appeal of any and all matters in the Action, as well as related settlement negotiations, and for no  
9 other purpose, without the written consent of the Designating Party. No Confidential Information may  
10 be disclosed to any person except in accordance with the terms of this Protective Order, unless the  
11 parties are co-counsel or have entered into joint defense agreements. All persons in possession of  
12 Confidential Information agree to exercise reasonable care with regard to the custody, use, or storage  
13 of such information to ensure that its confidentiality is maintained. This obligation includes, but is  
14 not limited to, the Receiving Party providing to the Designating Party prompt notice of the receipt of  
15 any subpoena that seeks production or disclosure of any designated information and consulting with  
16 the Designating Party before responding to the subpoena. Any use or disclosure of Confidential or  
17 Attorneys' Eyes Only information in violation of the terms of this Protective Order may subject the  
18 disclosing person or party to sanctions.

19 5.2 Access to "Confidential" Information: The Party(ies) and all persons subject to this  
20 Protective Order agree that information designated as "CONFIDENTIAL" may only be accessed or  
21 reviewed by the following:

22 a) The Court, its personnel, and court reporters;  
23 b) Counsel of record, or co-counsel for any Party, or other party that has entered into a  
24 joint defense agreement in the Action and their employees who assist counsel of record, or co-counsel  
25 in the Action and are informed of the duties and obligations imposed hereunder;  
26 c) The Parties, including their clients, agents and employees who are assisting or have  
27 reason to know of the Action;

28 / / /

1                   d) Experts or consultants employed by the Parties or their counsel, or co-counsel, for  
2 purposes of an Action, so long as each such expert or consultant has signed attached Exhibit A; and

3                   e) Other witnesses or persons with the Designating Party's consent or by court order.

4                5.3 Access to "Attorneys' Eyes Only" Designations: The Parties and all persons subject to  
5 this Protective Order agree that information designated as "ATTORNEYS' EYES ONLY" may only  
6 be accessed or reviewed by the following:

7                   a) The Court, its personnel, and court reporters;

8                   b) Counsel of record, or co-counsel for any Party, or other party that has entered into a  
9 joint defense agreement in the Action and their employees who assist counsel of record in the Action  
10 and are informed of the duties hereunder;

11                   c) In-house counsel for any Party in the Action and Richard A. Marshack, as Chapter 11  
12 Trustee of The Litigation Practice Group P.C. who is informed of the duties and obligations imposed  
13 hereunder;

14                   d) Experts or consultants employed by the Parties or their counsel, or co-counsel for  
15 purposes of the Action, and so long as each such expert or consultant has signed attached Exhibit A;  
16 and

17                   e) Other witnesses or persons to whom the Designating Party agrees in advance of  
18 disclosure or by court order.

19                5.4 Non-Waiver Effect of Designations: Neither the taking of, nor the failure to take, any  
20 action to enforce the provisions of this Protective Order, nor the failure to object to any designation,  
21 will constitute a waiver of any Party(ies)'s claim or defense in the Action or any other action or  
22 proceeding, including, but not limited to, a claim or defense that any designated information is or is  
23 not Confidential, is or is not entitled to particular protection, or embodies or does not embody  
24 information protectable by law.

25                5.5 In-Court Use of Designated Information: If information designated under this  
26 Protective Order will or may be offered in evidence at a hearing or trial related to any matter in the  
27 Action, then the offering party must give advance notice to the party or non-party that designated  
28 prior to offering the information so that any use or disclosure may be addressed in accordance with

1 the Court's case-management or other pre-trial order, or by a motion *in limine*. Nothing in this  
2 Protective Order shall be construed as a waiver by a Party of any objections that may be raised as to  
3 the admissibility at trial of any evidentiary materials.

4 **6. CLAW-BACK REQUESTS**

5       6.1 Failure to Make Designation: If, at any time, a Party or non-party discovers that it  
6 produced or disclosed Confidential Information without designation, it may promptly notify the  
7 Receiving Party and identify with particularity the Confidential Information to be designated and the  
8 level of designation (the claw-back notification). The Receiving Party may then request substitute  
9 production of the newly-designated information. Within thirty (30) days of receiving the claw-back  
10 notification, the Receiving Party must: (1) certify to the Designating Party it has appropriately marked  
11 or, if substitute production has been requested, destroyed all unmarked copies that it received, made,  
12 and/or distributed; and (2) if it was practicably unable to mark or destroy any information because  
13 disclosures occurred while the Receiving Party was under no duty of confidentiality under the terms  
14 of this Protective Order regarding that information, the Receiving Party must reasonably provide as  
15 much information as practicable to aid the Designating Party in protecting the information,  
16 consistently with the Receiving Party's attorney-client, work-product, and/or trial-preparation  
17 privileges.

18       6.2 Inadvertent Production of Privileged Information: If, at any time, a Party discovers  
19 that it produced information that it reasonably believes is subject to protection under the  
20 attorney/client, work-product, or trial-preparation privileges, then it must promptly notify each  
21 Receiving Party of the claim for protection, the basis for it, amend its privilege log accordingly, and  
22 comply with Fed. R. Civ. P. 26(b)(5). Whenever possible, the producing party must produce substitute  
23 information that redacts the information subject to the claimed protection. The Receiving Party must  
24 thereupon comply with Fed. R. Civ. P. 26(b)(5)(B) as to the information subject to the claimed  
25 protection.

26       ///

27       ///

28       ///

1           **7. DURATION/CONTINUED RESTRICTIONS**

2           7.1       Handling of Designated Information Upon Conclusion of the Main Bankruptcy Case:  
3 Upon conclusion of the Main Bankruptcy Case, by way of dismissal or closing of the case, the  
4 Designating Party(ies) is/are responsible for ensuring that any Party or person to whom the  
5 Designating Party shared or disclosed designated information in any of the matters under the Action  
6 returns or destroys all of its copies, regardless of the medium in which it was stored. No witness or  
7 Party may retain designated information that it received from any other Party or non-party under this  
8 Protective Order; only counsel of record, or co-counsel, are the authorized agents who may retain one  
9 copy for their respective legal files, and who must also describe to the Designating Party the extra  
10 steps taken to protect its legal file containing paper and/or electronic copies of the designated  
11 information so that it is not accessed, used, or disclosed inconsistently with the obligations under this  
12 Protective Order. This provision does not apply to the Court or Court staff. Moreover, this provision  
13 does not apply to Trustee, who may retain and use – consistent with this Order – Confidential  
14 Information received in any Action during the entirety of the Bankruptcy.

15           7.2       Continued Restrictions Under this Protective Order: The restrictions on disclosure and  
16 use of Confidential Information shall survive the conclusion of the Bankruptcy case and any matter  
17 in the Action.

18           **8. PRIVILEGED OR PROTECTED INFORMATION**

19           8.1       Nothing in this Protective Order shall require disclosure of information that is  
20 protected by the attorney-client privilege, the work-product protection, or any other legally cognizable  
21 privilege (a “Privilege or Protection”). If information subject to a claim of Privilege or Protection is  
22 inadvertently produced, pursuant to Federal Rule of Evidence 502(d) such production shall not  
23 constitute a waiver of, or estoppel as to, any claim of Privilege or Protection for such information or  
24 any other information that may be protected from disclosure by a Privilege or Protection in any  
25 proceeding.

26           8.2       If a Party receives a document that appears to be subject to a Privilege or Protection,  
27 then it shall refrain from examining the document any more than is essential to ascertain if it is  
28 privileged or protected and shall promptly notify the producing Party in writing that the receiving

1 Party possesses material that appears to be subject to a Privilege or Protection. The producing Party  
2 shall have seven (7) days after receiving such notice to assert a Privilege or Protection over the  
3 identified material. If the producing Party does not assert a claim of Privilege or Protection within the  
4 seven (7)-day period, the material in question shall be deemed not privileged or protected.

5       8.3     If a producing Party has produced a document subject to a claim of Privilege or  
6 Protection, upon written request by the producing Party, the document for which a claim of Privilege  
7 or Protection is made shall be sequestered or destroyed to the extent reasonably practicable, and the  
8 receiving Party shall not use the document for any purpose other than in connection with analyzing  
9 or disputing a claim of Privilege or Protection or in connection with a motion to compel the production  
10 of the document.

11       8.4     The receiving Party sequestering or destroying such material may then move the Court  
12 for an order compelling production of the material. The applicable producing Party bears the burden  
13 of establishing the applicable Privilege or Protection of any clawed-back document or information as  
14 and to the same extent that it would have borne such burden had it not produced the document or  
15 information. Nothing in this Protective Order shall limit the Court's right or any receiving Party's  
16 right to request an in camera review of any information subject to a claim of Privilege or Protection.

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Date: June 3, 2024



Scott C. Clarkson  
United States Bankruptcy Judge

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EXHIBIT "A"

1 Christopher B. Ghio (State Bar No. 259094)  
2 Christopher Celentino (State Bar No. 131688)  
3 Yosina M. Lissebeck (State Bar No. 201654)

**DINSMORE & SHOHL LLP**

4 655 West Broadway, Suite 800  
5 San Diego, CA 92101  
6 Telephone: 619.400.0500  
7 Facsimile: 619.400.0501  
8 christopher.ghio@dinsmore.com  
9 christopher.celentino@dinsmore.com  
10 yosina.lissebeck@dinsmore.com

11 Sarah S. Mattingly (Ky. Bar 94257)  
12 DINSMORE & SHOHL, LLP  
13 101 S. Fifth Street, Suite 2500  
14 Louisville, KY 40202  
15 Telephone: 859-425-1096  
16 Facsimile: 502-585-2207  
17 Sarah.mattingly@dinsmore.com  
18 (Admitted pro hac vice)

19 Special Counsel to Richard A. Marshack,  
20 Chapter 11 Trustee

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**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA**

In Re

21 The Litigation Practice Group P.C.,  
22 Debtor(s),

Case No. 8:23-BK-10571-SC

23 Chapter 11

**EXHIBIT A TO STIPULATED  
24 ORDER**

25 Date: May 23, 2024  
26 Time: 1:30 p.m.  
27 Judge: Hon. Scott C. Clarkson  
28 Place: Courtroom 5C<sup>1</sup> - Via Zoom  
411 W. Fourth Street  
Santa Ana, CA 92701

<sup>1</sup> Video and audio connection information for each hearing will be provided on Judge Clarkson's publicly posted hearing calendar, which may be viewed online at:  
<http://ecf-ciao.cacb.uscourts.gov/CiaoPosted/?jid=SC>.

1 This is to certify that:

2 (a) I am being given access to Confidential Information pursuant to the  
3 Stipulated Protective Order that was entered into the main bankruptcy case for  
4 Litigation Practice Group, but which is binding and controlling as set forth by the  
5 Court's Order on any and all contested matters and any and all litigation commenced  
6 by Trustee;

7 (b) I have read the Stipulated Protective Order; and

8 (c) I agree to be bound by the terms and conditions thereof, including,  
9 without limitation, to the obligations regarding the use, non-disclosure and return of  
10 such Confidential Information. I further agree that in addition to being contractually  
11 bound by the Stipulated Protective Order, I am subject to the jurisdiction of the above  
12 reference Court for any violation thereof.

13

14 Date: \_\_\_\_\_

15

16 \_\_\_\_\_  
17 Signature

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20 \_\_\_\_\_  
21 Printed Name

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## Exhibit 2

<b>VASCO ASSETS</b> 2024 Quail St. Newport Beach, CA 92660 Phone # 949-679-2300		<b>Invoice</b>						
		<table border="1"><tr><td>Date</td><td>Invoice #</td></tr><tr><td>11/2/2022</td><td>4217</td></tr></table>	Date	Invoice #	11/2/2022	4217		
Date	Invoice #							
11/2/2022	4217							
<table border="1"><tr><td>Bill To</td></tr><tr><td>Arsha Corp.</td></tr></table>			Bill To	Arsha Corp.				
Bill To								
Arsha Corp.								
<table border="1"><thead><tr><th>P.O. No.</th><th>Terms</th><th>Project</th></tr></thead><tbody><tr><td></td><td>Net 10</td><td></td></tr></tbody></table>			P.O. No.	Terms	Project		Net 10	
P.O. No.	Terms	Project						
	Net 10							
Quantity	Description	Rate						
1	MARKETING DEVELOPMENT	100,375.00						
		<b>Total</b>						
		\$100,375.00						
<a href="http://www.vascoassets.com">www.vascoassets.com</a>								

# Exhibit 3

Bank Name	Account Name	Account Number	Statement Date	Transaction Date	Check Number	Debit/Charge	Memo
Chase	The Litigation Practice Group PC	[REDACTED]	3158	1/31/2023	1/6/2023	100,000.00	Fedwire Debit Via: Fst Bk Sf1 MC/081009428 NC: Vasco Assets LLC Newport Beech, CA 92660 US Ret: 1ev
Chase	The Litigation Practice Group PC	[REDACTED]	3158	12/31/2022	12/12/2022	12290	4303 Imed: 0105B1Cgc05C032245 Tm: 51 49400006jo
Chase	The Litigation Practice Group PC	[REDACTED]	3158	11/30/2022	11/23/2022	12190	100,206.73 Business Consultation Charge
Chase	The Litigation Practice Group PC	[REDACTED]	3158	10/31/2022	10/17/2022	12109	100,375.00
							<b>395,581.73</b>

FOR SECURITY PURPOSES, THE FACE OF THIS DOCUMENT CONTAINS A COLORED BACKGROUND AND MICROPRINTING IN THE BORDER.

**12109**

**The Litigation Practice Group**  
P.O. Box 513018  
Los Angeles, CA 90051-1018

**Chase**  
10/13/2022

**PAY**  
**TO THE ORDER OF** **Vasco Assets, LLC**

**\$ \*\*95,000.00**  
**DOLLARS**

**Ninety five thousand and 00/100\*\*\*\*\***

**Vasco Assets, LLC**  
2024 Quail Street  
Newport Beach CA 92660  
United States

**MEMO**  
Lead Generation

**SECURITY FEATURES INCLUDED DETAILS ON BACK**

**AUTHORIZED SIGNATURE**

**1012109 13222716270 7358631581**

**ENDORSE CHECK HERE**

**X PAY TO THE ORDER OF**

**First Bank**

**CHECK HERE 22291314 DEPOSIT OR REMOTE DEPOSIT**

**40 DEPOSIT ONLY**

**DO NOT WRITE OR SIGN STAMP BELOW THIS LINE**

**DEPOS5485148695 ENDORSEMENT**

**10172022 40604060516341**

**Listed below are the security features provided on this document which meet or exceed industry guidelines**

**Security Features:**

- Micro-Printing
- Serial #s in borders of check and endorsement areas appear blurred if copied or scanned
- Watermark to view
- Colored Background
- Void copy protection

FOR SECURITY PURPOSES, THE FACE OF THIS DOCUMENT CONTAINS A COLORED BACKGROUND AND MICROPRINTING IN THE BORDER.

**12190**

**The Litigation Practice Group**  
P O Box 513018  
Los Angeles, CA 90051-1018

**Chase**

**11/08/2022**

**PAY**  
**TO THE** **Vasco Assets, LLC**  
**ORDER OF**

**One hundred thousand three hundred seventy five and 00/100\*\*\*\*\* DOLLARS**

**Vasco Assets, LLC**  
2024 Quail Street  
Newport Beach CA 92660  
United States

**MEMO**  
Marketing Development

**SECURITY FEATURES INCLUDED. DETAILS ON BACK**

**AUTHORIZED SIGNATURE**

**012190 13222716270 735863158**

**ENDORSE CHECK HERE**  
**X**

**PAY TO THE ORDER OF**  
**First Bank of**  
**DATE 11/22/23**  
**FOR DEPOSIT ONLY**

**DO NOT WRITE / SIGN / STAMP BELOW THIS LINE**

**DEPOSIT VASCO ASSETS LLC ORSEMENT**  
**9463116655**

**MP**

**11222022 4060406043754**

**Listed below are the security features provided on this document**

**Security Features:** *#that are visible when the document is viewed under ultraviolet light*

- Micro Printing
- Watermark
- Colored Background
- Void copy protection

**Results of check alteration:**

- Small logo in border of check and endorsement area
- Appears blurry if copied or scanned
- Artificial watermark on back fold at an angle to view

SB1482946-F1

EXHIBIT 3  
Page 42

2091

For FCR Security Purposes, the face of this document contains a colored background and microprinting in the border.

**The Litigation Practice Group**  
P O Box 513018  
Los Angeles, CA 90051-1018

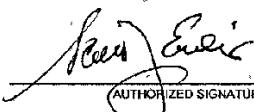
**Chase**  
12290  
12/07/2022

**PAY TO THE ORDER OF** **Vasco Assets, LLC** **\$ \*\*100,206.73**  
One hundred thousand two hundred six and 73/100\*\*\*\*\* **DOLLARS**

**Vasco Assets, LLC**  
2024 Quail Street  
Newport Beach CA 92660  
United States

**MEMO**  
Business Consultation Charge

**SECURITY FEATURES INCLUDED: DETAILS ON BACK**

**AUTHORIZED SIGNATURE** 

**012290 13222716270 735863158**

**ENCLOSURE CHECK HERE**

**PAY TO THE ORDER OF**  **ATM**  **Check**  **Bank or Remote Deposit**  
**DATE** **12/22/2025**

**DO NOT WRITE IN SIGNATURE AREA ONLY**  
**DEPOSIT/ATM/CHECK/STAMP BELOW THIS LINE**

**9463116655**

**12092022 4060406051890**

**Listed below are the security features provided on this document which meet or exceed industry guidelines:**

**Security Features:**

- Micro-Printing
- Watermark
- Colored Background
- Visible copy protection

## Exhibit 4



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March 19<sup>th</sup>, 2024

Mr. Jonathan Serrano, Dinsmore & Shohl LLP,

Vasco Assets is a luxury assets and commodities company. Between September 13<sup>th</sup>, 2022, and December 28<sup>th</sup>, 2022, Vasco Assets sold LPG luxury goods to include watches, gold coins, gold bars, silver coins, and platinum coins, as well as performed a watch service. I have listed the invoices below in their respective batches for your convenience:

Batch One invoices: 4136, 4141, 4151, 4179, 4181, and 4192 totaling \$95,000.00. These invoices were paid with check #12109 on October 17<sup>th</sup>, 2022.

Batch Two invoice 4216 totaled \$100,375.00. This invoice was paid with check #12190 on November 23<sup>rd</sup>, 2022.

Batch Three invoices: 4218, 4222, 4243, and 4248 totaling \$100,206.73. These invoices were paid on December 12<sup>th</sup>, 2022.

Batch Four invoices: 4275, 4304, 4317, and 4323 totaling \$100,000.00. These invoices were paid by wire on January 6<sup>th</sup>, 2023.

All batches with detailed invoices are attached to this document. If you have any questions don't hesitate to ask.

Regards,  
Benny Mor

**VASCO ASSETS**

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

**Invoice**

Date	Invoice #
9/12/2022	4136

**PAID**  
10/14/2022

Bill To
LPG 17542 E 17th Street STE 100 Tustin, CA 92780

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	ONE 22K SAINT CHRISTOPHER COIN 0.56OZ 173 GRAMS	945.00	945.00
			<b>Total</b> \$945.00



Invoice

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

Date	Invoice #
9/13/2022	4141

PAID  
10/14/2022

Bill To
LPG 17542 E 17th Street STE 100 Tustin, CA 92780

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	(1) VALCAMBI 24K GOLD 10 OZ.	17,590.00	17,590.00
1	(1) VALCAMBI 24K GOLD 10 OZ.	17,590.00	17,590.00
		<b>Total</b>	\$35,180.00

# VASCO ASSETS

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

## Invoice

Date	Invoice #
9/19/2022	4151

10/14/2022

Bill To  
LPG  
17542 E 17th Street STE 100  
Tustin, CA 92780

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	(7) 7X24KT GOLD BARS VALCAMBI	12,155.00	12,155.00
1	(1) BUFFALO 1 OZ MS 69	2,150.00	2,150.00
1	(1) 20 DOLLAR 0.9675 OZ	1,925.00	1,925.00
1	(1) 0.25 OZ EAGLE 24KT	495.00	495.00
1	(1) 0.10 OZ 24KT OLD DIME	260.00	260.00
			<b>Total</b>
			\$16,985.00

**VASCO ASSETS**

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

**Invoice**

Date	Invoice #
10/4/2022	4179

PAID  
10/14/2022

Bill To
LPG 17542 E 17th Street STE 100 Tustin, CA 92780

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	(70) COINS OF PLAT 0.5OZ WAR OF 1812	36,400.00	36,400.00
<b>Total</b>			\$36,400.00

# VASCO ASSETS

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

Invoice

Date	Invoice #
10/4/2022	4181

PAID  
10/14/2022

Bill To
LPG 17542 E 17th Street STE 100 Tustin, CA 92780

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	(1) 0.76 TRUMP COIN	25.00	25.00
			<b>Total</b> \$25.00

VASCO ASSETS

Invoice

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

Date	Invoice #
10/13/2022	4192

PAID  
10/14/2022

Bill To
LPG 17542 E 17th Street STE 100 Tustin, CA 92780

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	Gold Corum Watch	5,465.00	5,465.00
			<b>Total</b> \$5,465.00

# VASCO ASSETS

## Invoice

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

Date	Invoice #
11/2/2022	4216

11/22/2022

Bill To  
LPG  
17542 E 17th Street STE 100  
Tustin, CA 92780

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	(2) KRUGGERANDS 24KT 2X 10OZ COINS	3,490.00	3,490.00
1	(1) 10OZ MAPLE CANADIAN 24KT	1,745.00	1,745.00
1	(1) 250 GRAM 24KT GOLD BAR	13,545.00	13,545.00
1	(3) 10OZ GOLD UBS BARS	5,295.00	5,295.00
1	(1) 0.64OZ GOLD PAMP BAR	1,100.00	1,100.00
1	(1) 0.1176OZ BRITISH SOVEREIGN	200.00	200.00
1	(150) PLATINUM COINS WAR OF 1812	75,000.00	75,000.00



Invoice

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

Date	Invoice #
11/3/2022	4218

Bill To
LPG 17542 E 17th Street STE 100 Tustin, CA 92780

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	(1) 19.80OZ OF SILVER COIN - CONTINENTAL Y2 DOLLAR	501.73	501.73
<b>Total</b>			\$501.73



Invoice

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

Date	Invoice #
11/7/2022	4222

Bill To
LPG 17542 E 17th Street STE 100 Tustin, CA 92780

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	(5) 10OZ 24K GOLD COINS - AMERICAN EAGLE 1 (100) COINS OF 0.5OZ PLATINUM - WAR OF 1812	9,000.00 50,000.00	9,000.00 50,000.00
			<b>Total</b> \$59,000.00



Invoice

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

Date	Invoice #
11/25/2022	4243

Bill To
LPG 17542 E 17th Street STE 100 Tustin, CA 92780

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	(1) CARTIER WATCH (3) GOLD BAR 3.4OZ : 2.4OZ BANK OF TAIWAN; 1.0OZ UBST	24,500.00 6,205.00	24,500.00 6,205.00
			<b>Total</b> \$30,705.00



Invoice

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

Date	Invoice #
11/28/2022	4248

Bill To
LPG 17542 E 17th Street STE 100 Tustin, CA 92780

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	(20) 0.5OZ PLATINUM COINS - WAR OF 1812	10,000.00	10,000.00
			<b>Total</b> \$10,000.00



Invoice

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

Date	Invoice #
12/8/2022	4275

Bill To
LPG 17542 E 17th Street STE 100 Tustin, CA 92780

PAID  
01/06/2023

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	(100) 0.5oz Coins of War 1812	50,500.00	50,500.00
			<b>Total</b> \$50,500.00

**VASCO ASSETS**

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

**Invoice**

Date	Invoice #
12/16/2022	4304

PAID  
01/06/2023

Bill To
LPG 17542 E 17th Street STE 100 Tustin, CA 92780

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	(90) PLATINUM COIN 0.5OZ - WAR OF 1812	46,350.00	46,350.00
			<b>Total</b> \$46,350.00

**VASCO ASSETS**

**Invoice**

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

Date	Invoice #
12/22/2022	4317

PAID  
01/06/2023

Bill To
LPG 17542 E 17th Street STE 100 Tustin, CA 92780

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	(76) MORGAN SILVER COINS - ONE DOLLAR	2,430.00	2,430.00
<b>Total</b>			\$2,430.00

**VASCO ASSETS**

**Invoice**

2024 Quail St.  
Newport Beach, CA 92660  
Phone # 949-679-2300

Date	Invoice #
12/28/2022	4323

Bill To
LPG 17542 E 17th Street STE 100 Tustin, CA 92780

PAID  
01/06/2023

P.O. No.	Terms	Project
	Net 10	

Quantity	Description	Rate	Amount
1	WATCH REPAIR	720.00	720.00
			<b>Total</b> \$720.00

## Exhibit 5

## **DECLARATION OF BENNY MOR**

2 I, Benny Mor, declare as follows:

3       1. I am the Chief Executive Officer of Vasco Assets, Inc., a California corporation  
4 ("Vasco"). I am also the duly authorized custodian of records for Vasco and have the authority to  
5 certify records. As such, I have personal knowledge of the matters set forth herein. If called as a  
6 witness in this matter, I could and would testify competently thereto.

7       2.     Attached as Exhibit A are true and correct copies of invoice nos. 4136, 4141, 4151,  
8 4179, 4181, 4192, 4216, 4218, 4222, 4243, 4248, 4275, 4304, 4317, and 4323 (collectively, the  
9 “Invoices”). I certify that the Invoices are true and complete copies of records maintained in the  
10 regular course and scope of Vasco’s business and were prepared by me at or near the time of the acts,  
11 conditions, or events recorded.

12        3.      On behalf of Vasco, I sold the items listed in the Invoices to Tony Diab on behalf of  
13      The Litigation Practice Group P.C. ("LPG").

4. On behalf of LPG, Tony Diab paid Vasco \$95,000.00 for the items listed in invoice nos. 4136, 4141, 4151, 4179, 4181, and 4192 with check no. 12109 on October 17, 2022. A true and correct copy of check no. 12109 is attached as **Exhibit B**.

17       5.     On behalf of LPG, Tony Diab paid Vasco \$100,375.00 for the items listed in invoice  
18     no. 4216 with check no. 12190 on or about November 23, 2022. A true and correct copy of check no.  
19     4216 is attached as **Exhibit B**.

20       6.      On behalf of LPG, Tony Diab paid Vasco \$100,206.76 for the items listed in invoice  
21 nos. 4218, 4222, 4243, and 4248 with check no. 12290 on or about December 12, 2022. A true and  
22 correct copy of the bank statement showing that wire transfer is attached as **Exhibit C**.

23        7.      On behalf of LPG, Tony Diab paid Vasco \$100,000.00 for the items listed in invoice  
24 nos. 4275, 4304, 4317, and 4323 via wire transfer on January 6, 2023. A true and correct copy of the  
25 bank statement showing that wire transfer is attached as Exhibit D.

26 I declare under penalty of perjury that the foregoing is true and correct.

27 | DATED: September 3, 2024

Benny Morris



PO Box 548 • Hazelwood, MO 63042-0548

Return Service Requested

VASCO ASSETS INC  
October 31, 2022

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Date	Description	Additions
10-07	Deposit	47,500.00
10-11	Deposit	9,170.00
10-11	' ACH Deposit Square Inc 221011P2 221011 L206757616566	502.45
10-11	' ACH Deposit Square Inc 221010P2 221011 L206757393918	192.90
10-12	Deposit	1,700.00
10-12	' ACH Deposit VENMO CASHOUT 221012	245.00
10-13	' ACH Deposit Square Inc 221013P2 221013 L206758204407	100.37
10-14	Deposit	214,985.00
10-14	Deposit	642.00
10-17	Deposit	96,600.00
10-18	' ACH Deposit VENMO CASHOUT 221018	386.33
10-18	Deposit	175.00
10-18	' ACH Deposit VENMO CASHOUT 221018	139.50
10-21	Deposit	1,000.00
10-21	' ACH Deposit Square Inc 221021P2 221021 L206760361981	91.32
10-24	' ACH Deposit Square Inc 221024P2 221024 L206760990647	324.89
10-26	Deposit	175.00
10-27	Deposit	42,490.00

## DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
09-30	110,935.02	10-12	125,479.78	10-24	147,644.69
10-03	116,897.45	10-13	125,513.65	10-25	146,893.62
10-04	119,497.45	10-14	277,140.65	10-26	147,068.62
10-05	119,346.43	10-17	145,527.65	10-27	152,546.62
10-07	166,846.43	10-18	146,228.48	10-31	128,123.56
10-11	123,534.78	10-21	147,319.80		

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VASCO ASSETS INC  
January 31, 2023

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XXXXXX6655

**CREDITS**

Date	Description	Additions
01-03	Deposit	1,300.00
01-03	Deposit	888.00
01-03	Deposit	250.00
01-04	Deposit	1,001.13
01-05	' ACH Deposit VENMO CASHOUT 230105	1,354.00
01-06	' Incoming Wire 202301060001777 THE LITIGATION PRINV 4303	100,000.00
01-06	Deposit	500.00
01-06	' ACH Deposit VENMO CASHOUT 230106	245.00
01-09	Deposit	450.00
01-09	' ACH Deposit Square Inc 230109P2 230109 L206778126088	198.64
01-10	' ACH Deposit VENMO CASHOUT 230110	110.00
01-10	Deposit	100.00
01-10	' ACH Deposit Square Inc 230110P2 230110 L206778340073	60.16
01-10	' ACH Deposit VENMO CASHOUT 230110	21.17
01-13	' ACH Deposit Square Inc 230113P2 230113 L206778999081	829.00
01-17	' ACH Deposit VENMO CASHOUT 230117	374.67
01-17	' ACH Deposit VENMO CASHOUT 230117	115.00
01-17	' ACH Deposit Square Inc 230116P2 230117 L206779461889	79.94
01-19	' ACH Deposit Square Inc 230119P2 230119 L206780034201	319.86
01-19	Deposit	250.00
01-23	Deposit	350.00
01-23	' ACH Deposit Square Inc 230123P2 230123 L206780862694	120.47
01-25	Deposit	1,900.00
01-25	' ACH Deposit VENMO CASHOUT 230125	98.00
01-26	Deposit	2,800.00

VASCO ASSETS INC  
December 30, 2022

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Number	Date	Amount
11493	12-22	7,500.00
11494	12-22	12,200.00
11495	12-23	8,812.00
11497 *	12-23	6,060.00
11498	12-28	3,205.00

Number	Date	Amount
11499	12-28	93,220.00
11500	12-29	1,150.00
11501	12-30	11,000.00

\* Skip in check sequence

## DEBITS

Date	Description	Subtractions
12-12	' Analysis Serv Charge ANALYSIS ACTIVITY FOR 11/22	50.00
12-30	Deposit Return Item	100,000.00

## CREDITS

Date	Description	Additions
12-01	Deposit	250.00
12-02	Deposit	4,700.00
12-02	' ACH Deposit VENMO CASHOUT 221202	400.00
12-05	Deposit	3,734.25
12-05	Deposit	1,021.00
12-05	' ACH Deposit Square Inc 221205P2 221205 L206770735690	627.94
12-06	Deposit	81,500.00
12-06	Deposit	1,150.00
12-06	' ACH Deposit VENMO CASHOUT 221206	250.00
12-06	' ACH Deposit VENMO CASHOUT 221206	245.00
12-06	' ACH Deposit Square Inc 221206P2 221206 L206770976742	193.85
12-07	Deposit	1,575.00
12-08	Deposit	2,700.00
12-09	Deposit	100,506.73
12-09	' ACH Deposit TALFEL INC SENDER 221209 622387572	25,150.00
12-12	' ACH Deposit Square Inc 221212P2 221212 L206772549264	60.16
12-13	Deposit	2,045.46
12-13	' ACH Deposit VENMO CASHOUT 221213	80.00
12-14	Deposit	11,600.00

DEP 100,506.73  
OF 100,506.76 25,150.00



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Return Service Requested

VASCO ASSETS INC  
November 30, 2022

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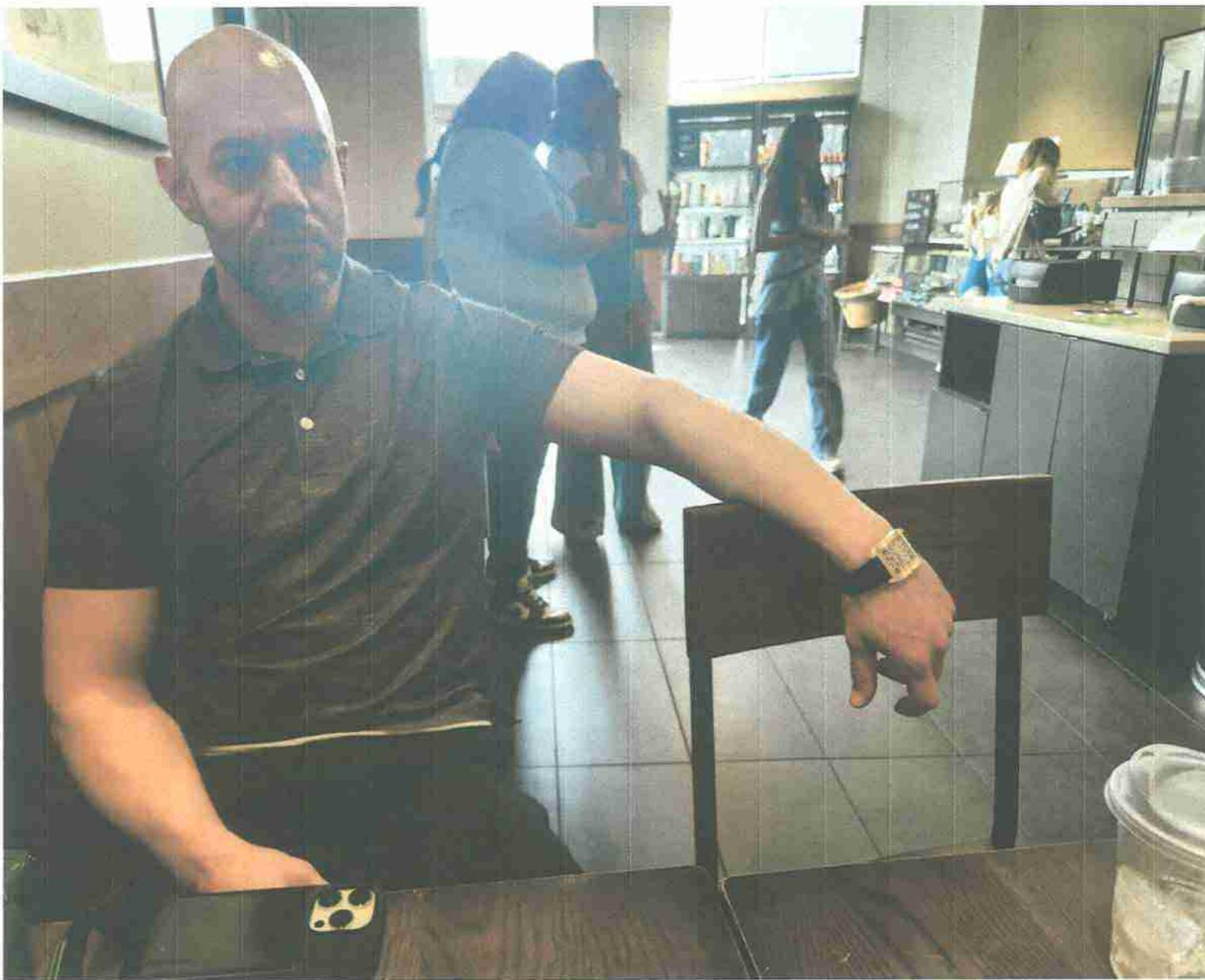
Date	Description	Additions
11-08	ACH Deposit Square Inc 221108P2 221108 L206764572402	1,655.13 ✓
11-10	Deposit	29,930.00
11-14	Deposit	220.00
11-14	ACH Deposit Square Inc 221111P2 221114 L206765366954	60.16
11-15	Deposit	750.00
11-15	ACH Deposit Square Inc 221115P2 221115 L206766226633	276.27
11-16	ACH Deposit Square Inc 221116P2 221116 L206766451004	509.17
11-17	Deposit	31,075.00
11-17	ACH Deposit Square Inc 221117P2 221117 L206766835531	552.71
11-21	Deposit	25,000.00
11-22	Deposit	100,375.00
11-22	ACH Deposit Square Inc 221122P2 221122 L206768048440	245.11
11-23	Deposit	2,193.52
11-23	ACH Deposit Square Inc 221123P2 221123 L206768316668	98.36
11-25	Deposit	350.00
11-28	Deposit	130.00
11-29	ACH Deposit VENMO CASHOUT 221129	1,035.00

#### DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
10-31	128,123.56	11-09	113,220.34	11-21	149,034.55
11-01	128,373.56	11-10	143,091.24	11-22	155,484.66
11-02	129,873.56	11-14	143,371.40	11-23	157,059.95
11-04	129,720.21	11-15	144,397.67	11-25	157,409.95
11-07	130,065.21	11-16	144,906.84	11-28	132,145.61
11-08	131,720.34	11-17	147,534.55	11-29	133,180.61

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## **ADVERSARY PROCEEDING COVER SHEET**

## B1040 (FORM 1040) (12/24)

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)	
<b>PLAINTIFFS</b> Richard A. Marshack, Trustee of the LPG Liquidation Trust <b>ATTORNEYS</b> (Firm Name, Address, and Telephone No.) Christopher Celentino (131688) Christopher B. Ghio (259094) Yosina M. Lissebeck (201654) Dinsmore & Shohl LLP 655 West Broadway, Ste 800, San Diego, CA 92101 Tele: (619) 400-0500  M. Trent Spurlock (KY Bar No. 88569) Suzanne M. Marino (99070) Dinsmore & Shohl LLP 101 S. Fifth St., Ste 2500, Louisville, KY 40206 Tele: (502) 585-2207 (Admitted pro hac vice)	<b>DEFENDANTS</b> Vasco Assets, Inc., and Benny Mor		
	<b>ATTORNEYS</b> (If Known)		
<b>PARTY</b> (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input checked="" type="checkbox"/> Trustee	<b>PARTY</b> (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee		
<b>CAUSE OF ACTION</b> (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) (1) Avoidance, Recovery, and Preservation of 2-Year Actual Fraudulent Transfers; (2) Avoidance, Recovery, and Preservation of 2-Year Constructive Fraudulent Transfers; (3) Avoidance, Recovery, and Preservation of 4-Year Actual Fraudulent Transfers; (4) Avoidance, Recovery, and Preservation of 4-Year Constructive Fraudulent Transfers; (5) Aiding and Abetting by Vasco and Mor; and (6) Turnover of Estate Property			
<b>NATURE OF SUIT</b> (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)			
<b>FRBP 7001(a) – Recovery of Money/Property</b> <input checked="" type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input checked="" type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input checked="" type="checkbox"/> 14-Recovery of money/property - other <b>FRBP 7001(b) – Validity, Priority or Extent of Lien</b> <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property <b>FRBP 7001(c) – Approval of Sale of Property</b> <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) <b>FRBP 7001(d) – Objection/Revocation of Discharge</b> <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) <b>FRBP 7001(e) – Revocation of Confirmation</b> <input type="checkbox"/> 51-Revocation of confirmation <b>FRBP 7001(f) – Dischargeability</b> <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny <b>(continued next column)</b>			
<input checked="" type="checkbox"/> Check if this case involves a substantive issue of state law		<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23	
<input type="checkbox"/> Check if a jury trial is demanded in complaint		Demand \$ 867,042.34	
Other Relief Sought			

**B1040 (FORM 1040) (12/24)**

<b>BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES</b>		
NAME OF DEBTOR The Litigation Practice Group P.C.		BANKRUPTCY CASE NO. 8:23-bk-10571-SC
DISTRICT IN WHICH CASE IS PENDING Central District of California		DIVISION OFFICE Santa Ana
<b>RELATED ADVERSARY PROCEEDING (IF ANY)</b>		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING		DIVISION OFFICE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) /s/ Christopher B. Ghio		
DATE March 19, 2025	PRINT NAME OF ATTORNEY (OR PLAINTIFF) Christopher B. Ghio Trent Spurlock Suzanne M. Marino	

**INSTRUCTIONS**

The filing of a bankruptcy case creates an “estate” under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor’s discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also complete and file Form 1040, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court’s Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 1040 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff’s attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

**Plaintiffs and Defendants.** Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

**Attorneys.** Give the names and addresses of the attorneys, if known.

**Party.** Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

**Demand.** Enter the dollar amount being demanded in the complaint.

**Signature.** This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.